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HD A complete list of tax deductions and credits for any scenario

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Here's a complete checklist of legitimate deductions and credits for various folks

Okay, I've heard of some great attempts to deduct completely ineligible things. I knew a guy who tried to claim his tattoo as a medical expense, and others have tried to claim their dogs as dependents. Breast augmentations, cat food, helicopter rides and boat cruises make the list of deductions I've seen attempted. Today, I want to share a complete checklist of legitimate deductions and credits for various folks. To use this list, highlight all the deductions or credits you qualify for and those you're unsure about. Then, confirm your eligibility by looking up these amounts on canada.ca. Happy tax savings!

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The basics

Before I share the list, there are a couple of things to explain. First, deductions are claimed against your income to arrive at your taxable income figure. Your taxable income is then multiplied by your tax rate to arrive at your taxes owing. Credits are then claimed against your taxes owing, to reduce your tax bill in the calculation of your net taxes owing. Credits are either non-refundable (meaning they can reduce your taxes to zero, but can't go any further) or refundable (meaning you can get a refund of the amount even if your net taxes are already zero).

Next, when you read the word "spouse" below, I'm also referring to common-law partners, who are treated as spouses for tax purposes. Also, I'm not dealing with self-employment deductions today because it's an entire topic unto itself. Finally, I won't go into more details on any of the deductions or credits in this checklist today, but you can search them at www.canada.ca for more information. Now, for the list.

For everyone

Take advantage of these if they apply to you:

Deductions: Social benefits repayments and the Northern residents' deduction.

Non-refundable credits: The basic personal amount (enhanced for those with incomes of \$150,473 or less), donation tax credit, digital news subscriptions credit and the political contributions credit.

Refundable credits: the GST/HST credit and the climate action incentive.

For employees

Employees should consider these amounts. (If you've been reimbursed by your employer for these, you can't claim them.)

Deductions: Annual union, professional, or like dues, moving expenses, vehicle expenses, travelling costs, parking costs, supplies, home-office expenses (see my article from March 18, 2021, for more), assistant's salary, the clergy residence deduction, stock option deduction, the Canadian forces personnel and police deduction, accounting and legal fees, tradespersons and apprentice mechanic's tools, employed artists expenses, musical instrument expenses and additional expenses if incurred to earn commissions - including advertising, promotion, food and entertainment, equipment costs (cellphones, computers etc.), office rent and training costs.

Non-refundable credits: the Canada employment amount, credit for employment insurance premiums, the volunteer firefighter's amount and the search-and-rescue volunteer amount.

Refundable credits: Employment insurance overpayment, Canada worker's benefit, employee or partner GST/HST rebate and the educator school supply tax credit.

For families and caregivers

These items are relevant to families, children and caregivers:

Deductions: Child-care expenses, support payments made and universal child-care benefit repayments.

Non-refundable credits: the spouse or common-law partner amount, amount for an eligible dependent, the Canada caregiver amount (for spouses, eligible dependents 18 or older or infirm dependents), adoption expenses, the home buyers' amount and eligible medical expenses (for yourself, spouse or your dependents).

Refundable credits: the medical expense supplement.

For students and trainees

If you're a student or have pursued additional education, consider these amounts.

Deductions: Moving expenses.

Non-refundable credits: tuition, education, textbook amounts, student loan interest credit and tuition transferred from a child or spouse.

Refundable credits: the Canada training credit (see my article from March 25, 2021), and the GST/HST credit.

For the disabled

If you or someone dependent on you has a disability, consider these amounts.

Deductions: the disability-supports deduction.

Non-refundable credits: the disability amount (for yourself or transferred from a dependent), the Canada caregiver amount (for a spouse, eligible dependent 18 or older or other infirm dependents) and the home-accessibility expense credit.

Refundable credits: the medical expense supplement.

For the retirement-minded

If you're retired or saving for retirement consider these amounts.

Deductions: RPP (Registered Pension Plan) deduction, the pension adjustment, RRSP (Registered Retirement Savings Plan) deduction, PRPP (Pooled Registered Pension Plan) deduction, deduction for the split-pension amount and deduction for CPP or QPP enhanced contributions.

Non-refundable credits: the age amount, base CPP or QPP contributions, pension income amount and the home accessibility expense credit.

Refundable credit: for CPP overpayments.

For investors

Investors should consider these amounts.

Deductions: interest expenses for investment, carrying charges (investment management, custody, accounting and bookkeeping, and tax preparation costs), net capital losses of other years, an allowable business investment loss, exploration or development expenses, limited partnership losses and the lifetime capital gains deduction.

Non-refundable credits: the dividend tax credit, foreign tax credits and labour-sponsored funds credit.

Refundable credit: the investment tax credit.

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